

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

February 13, 2020

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference at Meridian Management Group, Inc., 826 E. Baltimore Street, Baltimore, MD 21202.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clemis Kaikis	Anthony Williams
Laura Pasternak	Mark Harrison
Mara Sierocinski	Tim Smoot
Gina Ramsey	Robin Harris
Chuck Martin	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

November 26, 2019

December 10, 2019

January 23, 2020

EXTENSION

Innovative Treatment Products, LLC

Mahogany, Inc.

MidPoint Technology Group, LLC- **Withdrawn. The loan closed today.**

The Great Gourmet Inc. – **Withdrawn. The modification closed on February 6, 2020.**

Unified Solutions Services, LLC (SB & LOC)

RENEWAL

JCM Control Systems, Inc.

OGOS Energy, LLC

MODIFICATION

Bloosurf, LLC – **Withdrawn. The Department of Commerce feels there is additional dialogue required prior to any presentation of the modification request.**

The closed session of the January 23, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Laura Pasternak, Mara Sierocinski, Kenny Oreagba and Gina Ramsey. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the following:

All of the requests were unanimously approved.

1. Flight Fab, Inc. – Extend maturity to November 30, 2020 subject to following conditions: (1) 5% of each payment received by Commerce pursuant to lockbox of assignment of contract proceeds shall be applied to payment of Commerce MSBDFA line of credit starting immediately; and (2) audit of inventory by independent third party CPA starting April 1, 2020.
2. Transdermal Specialties Global, Inc. - \$300,000 EPIP convertible note investment.
3. Nepenthe Homebrew, LLC – Waiver of additional borrowing covenant to allow borrowing from MMG's Maryland Casino Business Investment Fund.

NOTE: Chuck Martin was not present during the presentation of the January 23, 2020 closed session summary.

MINUTES

November 26, 2019
December 10, 2019
January 23, 2020

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved all of the minutes with amendments to the December 10, 2019 and January 23, 2020 minutes.

NOTE: Chuck Martin was not present during the presentation of the minutes.

EXTENSION

Presenter: Randy Croxton

Applicant: Mahogany, Inc.

Loan Amount: \$1,250,000 Line of Credit (50% Guaranty)

Original Approval Date: September 8, 2011

Request: Extension of the maturity date to April 9, 2020, was requested.

Discussion: There was limited discussion regarding the expected results of the company's 2019 year end financial statements pending review in preparation for a renewal request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: Unified Solutions Services, LLC

Loan Amount: a) \$550,000 Surety Bond Direct
b) \$120,000 Contract Financing Line of Credit

Comments: Approval was requested for a 60-day approval extension of both the Line of Credit Renewal and the new Term Loan through April 9, 2020, to allow time to settle the two facilities.

Discussion: The following was discussed:
a) The nature of the project requiring a surety bond
b) Reasons why the project is being delayed
c) Reasons why the borrower has not graduated from the program

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the requests as presented.

EXTENSION

Presenter: Mark Harrison

Applicant: Innovative Treatment Products, LLC

Loan Amount: \$250,000 InvestMD Convertible Note

Original Approval Date: September 26, 2019

Request: Extension of the approval date to April 9, 2020, was requested.

Discussion: There was limited discussion regarding the borrower's ability to obtain co-investors.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

REPORT

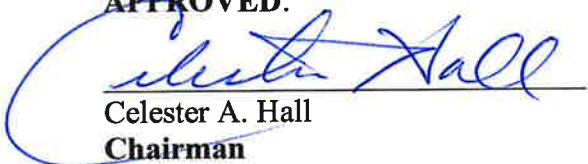
Presenter: Les Hall, Chairman

Discussion: The Department of Commerce recently submitted press releases for the settled transactions over this past quarter. The Department will add the Authority board members to the distribution list.

Action Taken: No action required.

The Meeting then closed at 1:25 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

3-10-20

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: February 13, 2020

Time: 1:28 pm – 1:44 pm

Location: Meridian Management Group, Inc., 826 East Baltimore Street, Baltimore, MD 21202

Motion to close meeting made by: Mara Sierocinski; Seconded by Clemis Kaikis

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[x]	[]	[]	[]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[]	[]	[]	[x]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[]	[]	[]	[x]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[x]	[]	[]	[]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

___ (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.



Celester Hall
Chair